



MCI Communications
Corporation

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

June 22, 1992

Ms. Donna Searcy
Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, D.C. 20554

Re: In the Matter of: Amendment of Part 61 of the Commission's Rules to
Require Quality of Service Standards in Local Exchange Carrier Tariffs, RM-
7967, AAD 92-39

Dear Ms. Searcy,

Enclosed herewith for filing are the original and fourteen (14) copies of MCI Telecommunications Corporation's Comments in the above captioned matter.

Please acknowledge receipt by affixing an appropriate notation on the copy of the MCI Petition furnished for such purpose and remit same to the bearer.

Yours truly,

Michael F. Hydock
Senior Staff Member
Federal Regulatory Affairs

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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JUN 22 1992

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OFFICE OF THE SECRETARY

In the Matter of:

**Amendment of Part 61 of the Commission's
Rules to Require Quality of Service Standards
in Local Exchange Carrier Tariffs**

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) **RM-7967, AAD 92-39**
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Comments

On April 6, 1992 the International Communications Association (ICA) and the Consumer Federation of America (CFA) filed a Joint Petition for Rulemaking to amend Part 61 of the Commission's Rules to require Local Exchange Companies (LECs) to amend their tariffs to include certain technical service standards.¹ Herein, MCI Communications Corporation (MCI) addresses the issues raised by ICA and CFA, and submits its opposition to the Petition for Rulemaking at this time.

Within their Petition, ICA and CFA discuss the extremely serious issue of price cap LEC service quality. Virtually the whole industry is aware of the importance of our nation's telecommunications network and the necessity for it to perform at high levels of technical measurements. However, despite the reasons put forth by ICA and CFA in their Petition, the parties requesting the Rulemaking are attempting to force the Commission to readdress several

¹In the Matter of: Amendment of Part 61 of the Commission's Rules to Require Quality of Service Standards in Local Exchange Carrier Tariffs RM-7967, AAD 92-39, Joint Petition for Rulemaking (Petition), filed April 6, 1992.

points that have been ruled on recently, and are still pending in front of it.² By offering as evidence certain internal standards reported to a committee in the U.S. House of Representatives, ICA and CFA attempt to show that the circumstances involving these issues have changed substantially.³ What is not made clear by the petitioning parties, however, is how the submission of these standards has fundamentally changed the circumstances relating to service quality. In light of the lack of evidence that service quality is being degraded, MCI opposes the establishment of a rulemaking at this time.⁴

A SEPARATE RULEMAKING AT THIS TIME IS PREMATURE AND DUPLICATIVE OF OTHER COMMISSION EFFORTS

The Bureau and the Commission have been concerned with the issue of service quality and monitoring within the structure of price cap regulation for some time.⁵ From the initial LEC Price Cap Order, through its Reconsideration Order and the Service Quality and Monitoring Reports, the Commission has been acutely aware of the arguments raised by numerous parties on the generic issues of service quality and standards within price caps. The Commission has already clearly stated:

²Application for Review, CC Docket No. 87-313, Tele-Communications Association, CFA, and ICA, et. al. Filed June 17, 1991.

³Appendix to Petition - "Review of Telephone Network Reliability and Service Quality Standards," Majority Staff Report of the Subcommittee on Telecommunications and Finance, Committee on Energy and Commerce, U.S. House of Representatives (February 1992).

⁴MCI is not suggesting that the LEC's quality of service either pre- or post- price caps is acceptable. Rather it is suggesting that the petitioners showing is not adequate to pursue a rulemaking at this time.

⁵See, In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313, Second Report and Order, 5 FCC Rcd at 6827-9; Order on Reconsideration, 6 FCC Rcd at 2716-26; Memorandum Opinion and Order, 6 FCC Rcd at 2974-3031.

So, while we believe that our price cap plan creates strong incentives to maintain high quality and to develop the network, we will also expand significantly our monitoring of service quality and infrastructure development.

...If our monitoring shows that service quality has deteriorated, we have the authority to set standards and to order carriers to undertake specific investments. We will not hesitate to use that authority if necessary. [emphasis added].⁶

The Commission has defined a set of procedures to guard against service degradation. First, the Commission has reviewed a large quantity of filed material discussing the question of service quality, and has been made aware of the danger that price cap regulation plays in general service maintenance and quality. Second, the Commission, in recognition of this problem, has carefully crafted a series of expanded ARMIS reports to record trends in the quality of service offered by the price cap LECs. Finally, the Commission has indicated that if there is evidence that service quality is becoming a problem under price caps, it will not hesitate to impose specific standards.⁷ Moreover, the Commission has indicated that the complaint process would serve the needs of customers on an individual basis who believe service has been degraded.⁸

The petitioners in this proceeding do not offer new evidence to suggest that service quality has deteriorated to such an extent that tariff standards on technical performance measurements is required. The mere presence of internal LEC technical performance standards does not appear to be sufficient justification for their inclusion in the tariffs.⁹ Rather the approach should be the one envisioned by the Commission. Factual evidence of a decline in service quality, as demonstrated by the information contained within the Service Quality and

⁶Second Report and Order, 5 FCC Rcd at 6827.

⁷Order on Reconsideration, 6 FCC Rcd at 2725-6.

⁸Second Report and Order, 5 FCC Rcd at 6830.

⁹Furthermore, many of these technical standards are currently referenced within the LEC tariffs.

Monitoring Reports, data on price cap LEC investment, and the level of activity within the Commission's complaint process, should drive the desirability of examining tariffed technical standards. Until there is ample proof that widespread and/or targeted service degradation is occurring, it would be prudent to allow the Commission to pursue its oversight of service quality without the global imposition of technical service standards as proposed by the petitioners.

THE ISSUES BENEFITS ASSOCIATED WITH THE PETITION HAVE NOT BEEN CLEARLY STATED

Within their Petition, ICA and CFA raise several issues that are somewhat ambiguous regarding the benefits of requiring technical standards to be included within price cap LEC tariffs. MCI has reservations concerning the issue of public interest as expressed within the Petition, as well as ICA and CFA's perception of the relative ease of tariffing these technical standards. As such, MCI cannot agree with the need for the requested rulemaking.

CFA and ICA discuss the benefits accruing to both large business and residential consumers from the proposed tariffing requirements.¹⁰ Such arguments, however, understate the ability of business consumers to rectify perceived lack of service standards, and overstate the ability of residential consumers to benefit from such published standards.¹¹ It is unclear to MCI how the typical residential customer would be better off with the tariffed standards. Typically, a large, sophisticated business user will have a number of options available to it at

¹⁰See, Petition, p. 4-6.

¹¹Within the context of today's network architecture, separate quality standards for the two different marketplaces might be of little practical use. At least within the interexchange network, both residential and commercial users share large proportions of the network, and the distinction between switched and private line traffic is less a matter of equipment and more a matter of software functionality.

the present time to insure that its service quality is adequate and to the level it expects. Sophisticated users will avail themselves of existing testing equipment offered by the LECs, or maintain their own testing equipment. Large users would also be sophisticated enough to examine the existing standards contained in present access tariffs¹², as well as the Bellcore Technical References contained in the existing tariffs. Large users also have the ability to pursue other provisioning options, such as Competitive Access Providers (CAPs), self-constructed networks, and special routing and diversity options provided by the LECs themselves. Furthermore, large users can avail themselves of the Commission's complaint process if problems occur with the technical standards of the service offered by the LEC.

The situation is not quite the same with the residential user. The residential user would not benefit from published technical standards of service of the type proposed by the petitioners.¹³ It is doubtful whether the residential user would consider worthwhile the investment in measurement equipment to ascertain whether its service is within standards.

Additionally, ICA and CFA state that the imposition of tariffed technical standards would not be burdensome on either the LECs or the Commission. This is somewhat incorrect for two reasons. First, the Bureau has already indicated that the imposition of tariffed standards would lead to the result that the Commission would be required to rule on the acceptability of such standards, and would have to become involved in enforcement proceedings regarding these standards.¹⁴ This could become a regulatory morass with little tangible benefit for access

¹²See, for example, Bell Atlantic Telephone Company, Tariff FCC No. 1, § 6.4 (Switched Access Service Transmission Specifications), § 7.2 (Special Access Service Descriptions).

¹³Petition, p. 13-15.

¹⁴Memorandum Opinion and Order, 6 FCC at 2991-2.

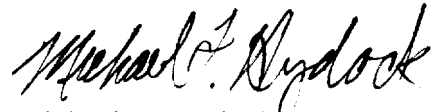
ratepayers. Second, the imposition of these technical standards in the LEC tariffs would certainly lead to the need for the LECs to pursue investments in real-time monitoring equipment. Such measurements would be necessary to protect LEC interests with any enforcement proceedings.

CONCLUSION

MCI believes that it is premature to pursue a rulemaking on this issue at this time. The Commission is acutely aware of the seriousness of service quality issues, and has taken steps to carefully monitor LEC performance under price caps. Moreover, the Commission has indicated that if the evidence suggests that service quality is deteriorating, it is ready to step in to impose service standards. Absent such evidence, it would be premature to impose such standards. The proposals raised by the petitioners might be best handled within the review of the LEC Price Cap program scheduled in the near future. At that time, the Commission will have a longer time series of data from their Service Quality and Monitoring reports to judge the trends in service quality.

Respectfully submitted,

MCI TELECOMMUNICATIONS CORPORATION

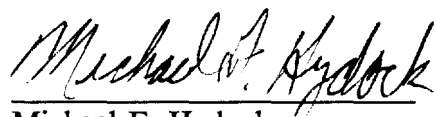


Michael F. Hydock
Senior Staff Member
1801 Pennsylvania Ave. NW
Washington, DC 20006
(202) 887-2731

Dated: June 22, 1992

STATEMENT OF VERIFICATION

I have read the foregoing, and to the best of my knowledge, information, and belief there is good ground to support it, and that it is not interposed for delay. I verify under penalty of perjury that the foregoing is true and correct. Executed on June 22nd, 1992.

A handwritten signature in cursive script, reading "Michael F. Hydock". The signature is written in dark ink and is positioned above a horizontal line.

Michael F. Hydock
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CERTIFICATE OF SERVICE

I, Laura Johnson, do hereby certify that copies of the foregoing MCI Filing were sent via first class mail, postage paid, to the following on this 22nd day of June, 1992:

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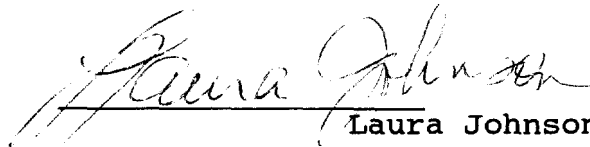
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